

## Chapter 1

# School-Determined Requirements

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*In this chapter, we discuss student eligibility requirements that don't require information from the Department's systems. The school determines on its own whether the student meets these eligibility requirements. In some cases, the financial aid office will need to get information from other school offices, such as the admissions office or the registrar, or from other organizations, such as high schools or testing agencies.*

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## Regular Student in an Eligible Program

A person must be enrolled as a *regular student* in an eligible program to receive Federal Student Aid (FSA) funds (exceptions are discussed later in this chapter). A regular student is someone who is enrolled or accepted for enrollment in an eligible institution for the purpose of obtaining a degree or certificate offered by the school. The requirements for an eligible program are discussed in *Volume 2, Chapter 2*.

A school must document a student's enrollment in an eligible program at the time of admission, and it must have a system to notify the financial aid office if the student leaves the program. It must also document that an aid recipient is a regular student.

### Regular student example

A school allows anyone with a high school diploma or the equivalent to enroll in any course. Many of the school's students do not intend to receive a degree or certificate; they are not regular students. The school requires those who want to receive a degree or certificate to complete a form stating the degree or certificate for which they are studying and to meet periodically with an academic advisor. The school considers them to be regular students.

**Conditional acceptance.** Some schools admit students conditionally, for example, until they provide further documentation, such as academic transcripts or test scores, or demonstrate an ability to succeed in the program by receiving acceptable grades in program coursework. Typically, the school will limit these students' enrollment in terms of number of courses or enrollment status until they meet the necessary conditions.

Students admitted under such types of conditional acceptance are regular students only if the school officially accepts them into the eligible degree or certificate program. The Department does not define official acceptance or admission. A student who is merely allowed to take some courses before being officially admitted to the program, is not considered a regular student and is not eligible for Title IV funds until they are officially admitted.

### Conditional acceptance examples

1. A school allows students to take graduate courses before they have taken the GRE, but it limits them to no more than three courses and does not admit them into its graduate programs until they have submitted acceptable GRE scores. They aren't regular students, and because the school hasn't admitted them, they aren't eligible for Title IV funds.
2. When a school accepts students into its graduate programs, it requires that the students receive no grade lower than a "B" in the first three courses. During this time, the school considers students to be admitted into the program, so they are eligible for Title IV aid. If, however, students receive a grade lower than a B in any of the first three classes, their admittance will be withdrawn and they then will be ineligible for further Title IV funds.

Schools may offer a trial or conditional period during which a student attends a program without incurring program charges or receiving Title IV funds. There are no restrictions as to program type (undergraduate vs. graduate level, program structure or academic level, etc.) for such students. If the student continues beyond the trial period and enrolls as a regular student, the school can pay the student FSA grants for the entire payment period and loans for the period of enrollment. See [Dear Colleague Letter GEN-11-12](#) for more information.

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## Regular students

HEA Sec. 101(a)(1),(b)(2)(A)

HEA Sec. 484(a)(1), (b)(3), (4)

[34 CFR 668.32\(a\)\(1\)](#)

[34 CFR 600.2](#)

## Continuing education

Regular students may receive aid for classes they take in a school's continuing education department as long as the classes apply to their degree or certificate program.

## Continuing education examples

A school has a continuing education department that offers many online courses that students enrolled in other programs at the school may take and that apply to the degree or certificate program in which the students are enrolled as regular students.

Another school has a continuing education department that offers many courses. Some students enroll in these courses without being admitted to the university. These students are not regular students and are not eligible for Title IV funds.

## Remedial coursework

Remedial coursework prepares a student for study at the postsecondary level in general (as opposed to preparatory coursework, which prepares a student for a given specific eligible program, see below). A student enrolled solely in a remedial program is not considered to be in an eligible program. If acceptance into an eligible program is contingent on completing remedial work, a student cannot be considered enrolled in that program until they complete the remedial work.

However, if the student is admitted into an eligible program and takes remedial coursework within that program, they can be considered a regular student, even if they are taking all remedial courses before taking any regular courses. You may count up to one academic year's worth of these courses in the student's enrollment status for Title IV funds. For the purpose of this limit, that is 30 semester or trimester hours, 45 quarter hours, or 900 clock hours. If the remedial classes are non-credit or reduced-credit, you must determine how many credit hours they are worth to count toward the student's enrollment status (see "Enrollment status" section in this chapter).

A remedial course cannot be below the educational level needed for a student to successfully pursue their program after one year in that course. Also, remedial courses must be at least at the high school level, as determined by the institution (i.e. your school), its state legal authority and its accrediting agency, or state agency recognized for approving public postsecondary vocational education. If any of those parties determine that a remedial class is below the secondary level, the school must abide by that determination, and the class cannot be included for FSA purposes. Additionally, Title IV funds cannot be used for any remedial course that uses direct assessment of student learning instead of credit or clock hours.

You cannot use non-credit remedial hours to determine a student's enrollment status if the course is part of a program that leads to a high school diploma or its recognized equivalent. A student is never permitted to receive funds for training or for coursework prior to the completion of high school, even if the high school equivalency training is offered at postsecondary schools or is required for the postsecondary program.

Similar to other remedial coursework, a student may receive Title IV funds for English as a second language (ESL) courses that are part of a larger eligible program. There are differences though: ESL courses don't count against the one-year limitation on remedial coursework, and they need not be at the secondary school level.

If your school permits a student to enroll in ESL or other remedial courses that don't apply to the student's degree or certificate, be aware that awarding FSA loans or Pell Grants over a series of semesters for such work can exhaust the student's eligibility for Pell Grants and/or FSA loans before they complete their program.

Pre-requisite courses that do not advance a student toward the completion of a program or fall into the category of preparatory coursework could be considered remedial coursework under [34 CFR 668.20](#), as such courses meet the definition of coursework which is “designed to increase the ability of a student to pursue a course of study leading to a certificate or degree” and which either leads to reduced credit, or is one for which “no credit is given toward a certificate or degree.”

A pre-requisite course is a course a student is required to take in order to take a course that is a required part of the student's program of study. The same limitations that apply to all remedial coursework would also apply to such pre-requisite courses, including that a school may not provide aid for more than 30 semester or 45 quarter hours of coursework in a single program.

## Remedial coursework

[34 CFR 668.20](#)

## Preparatory coursework

A student not enrolled in a degree or certificate program is eligible for Direct Subsidized/Unsubsidized Loans (and a parent may receive Direct PLUS Loans on behalf of a dependent student) for up to one consecutive 12-month period if the student is taking coursework which is **not** necessary for enrollment at the postsecondary level generally, but **is** necessary for enrollment in a specific eligible program.

## Teacher certification coursework

A student may receive Federal Work-Study (FWS), as well as Direct Subsidized/Unsubsidized Loans (and a parent may receive Direct PLUS Loans on behalf of a dependent student) if they are enrolled at least half time in required teacher certification coursework, even if it does not lead to a degree or certificate awarded by the school. For more details on Direct Loan eligibility criteria, see *Volume 8*.

To qualify, the coursework must be required for elementary or secondary teacher certification or recertification in the state where the student plans to teach and must be offered in credit or clock hours. Courses using direct assessment in lieu of credit or clock hours are not eligible. Optional courses that the student elects to take for professional recognition or advancement, and courses recommended by your school but not required for certification, do not qualify. You should document that the courses are required by the state for teacher certification.

A student with a bachelor's degree who is enrolled in a post baccalaureate teacher certification program can receive a Pell Grant or TEACH Grant in limited situations. See *Volumes 7 and 9* for more details.

## Teacher certification coursework

[34 CFR 668.32\(a\)\(1\)\(iii\)](#)

[DCL GEN-16-10](#)

HEA Sec. 484(b)(4)

HEA Sec. 401(c)(4)(B)

## Undergraduate and graduate or professional student definition

The regulations define "undergraduate student," in part, as a student "who is enrolled in an undergraduate course of study," and further specify that for purposes of dual degree programs (see below), a student is considered to be an undergraduate for at least the first three years of the program.

The regulations define a graduate or professional student as a student who is enrolled in a program or course above the baccalaureate level or in a professional program and has completed the equivalent of three academic years of full-time study, either prior to entering the program or as part of the program itself. Also, a student who is receiving Title IV aid as an undergraduate student cannot be considered a graduate/professional student for that same period of enrollment.

To satisfy the requirement that a graduate or professional student has completed three academic years of full-time study, a student must have successfully completed a minimum of at least 72 credit/semester hours, or the equivalent number of quarter hours (at least 108). You may also assign a higher number of credits required to satisfy the credit requirement component to be considered a graduate or professional student at your school, for example, 90 credit/semester hours (which may match your school's grade level progression standard for Direct Loans). Note that these three academic year's worth of credits may be taken over a longer or shorter period of time than three calendar years in the program.

Some programs combine undergraduate and graduate study and allow a student to complete both a bachelor's degree and a graduate or professional degree within the same program. These are referred to as "dual degree programs." For instance, a school could offer a 5-year dual degree program leading to both a bachelor's degree and a graduate or professional degree, and could define the first three or four years of study as being at the undergraduate level, and the remaining year(s) of study as being at the graduate or professional level. A student may receive Title IV aid at the undergraduate level during the undergraduate portion of such a program.

Other programs lead only to a graduate or professional degree, but may admit students who do not yet meet the regulatory requirements to be considered graduate or professional degree students. A student who is enrolled in this type of program, but who does not yet qualify as a graduate or professional student per our definition, is not considered to be enrolled in an undergraduate program of study. Therefore, such a student is ineligible to receive any type of Title IV aid until they have completed at least three years of full-time study, which may be part of the graduate or professional degree program. Once the student has completed at least three years of full-time study, they are eligible to receive graduate-level Title IV aid.

For more detail, see [34 CFR 668.2\(b\)](#).

## Students with intellectual disabilities

Students with an intellectual disability (see definition below) can receive funds from the Pell Grant, FSEOG, and FWS programs. They must be enrolled or accepted for enrollment in a comprehensive transition and postsecondary (CTP) program (as defined in [34 CFR 668.231](#)) for students with intellectual disabilities and must maintain satisfactory academic progress as determined by the school for this program (a school may develop a separate SAP policy for CTP students; this program must still contain all of the required SAP elements, see the SAP section later in this chapter). These students:

- do not have to be enrolled for the purpose of obtaining a degree or certificate, and
- are not required to have a high school diploma or its recognized equivalent.

Students who meet both of the following conditions may be considered students with intellectual disabilities for Title IV purposes if they:

- have a cognitive impairment characterized by significant limitations in intellectual and cognitive functioning and adaptive behavior as expressed in conceptual, social, and practical adaptive skills; and
- are currently or were formerly eligible for special education and related services under the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1401), including students who were determined eligible for special education or related services under the IDEA but were homeschooled or attended private school. See [668.233\(c\)](#) for documentation requirements.

Except for the provisions governing need analysis, the Secretary has the authority to waive any Pell Grant, FSEOG, FWS, or institutional eligibility provisions necessary to ensure that programs enrolling students with intellectual disabilities are eligible for these three types of federal student aid and that eligible students receive those funds.

## Students with intellectual disabilities

HEA Sec. 484(s), HEA Sec. 760, [34 CFR 668.230-233](#)

## Elementary or Secondary Enrollment

A student enrolled in elementary or secondary school is not eligible for aid from the FSA programs, even if they are simultaneously enrolled in an eligible college program. A student is considered to be enrolled in secondary school if they are pursuing a high school diploma or if they have completed the requirements for a diploma, but have not yet received it, and are either taking college coursework for which the student's high school gives credit or the high school still considers the student to be enrolled there.

An adult pursuing a high school equivalency certificate (not a high school diploma) is not considered to be enrolled in secondary school. However, as stated earlier, a student cannot get aid for high school equivalency training. However, an adult can take a course offered by a high school, such as a driver's education course, without being considered enrolled there.

## Secondary school enrollment examples

A junior in high school enrolls in an electronics technician program at a community college (the student is above the age of compulsory school attendance for the state where the school is located and therefore can be admitted as a regular student). The coursework is offered evenings and weekends, so the student can still attend high school classes. The electronics technician program is an eligible postsecondary program, and the student will receive a certificate from the community college upon completion of the program. However, the student is not eligible for aid because they are still enrolled in high school.

## Elementary/secondary enrollment

HEA Sec. 484(a)(1), [34 CFR 668.32\(b\)](#)

## Academic Qualifications

To receive Title IV funds, students must be qualified to study at the postsecondary level, i.e., if they:

- have a high school diploma (this can be from a foreign school if it is equivalent to a U.S. high school diploma);
- have the recognized equivalent of a high school diploma, such as a general educational development (GED) certificate or other state sanctioned test or diploma-equivalency certificate;
- have completed homeschooling at the secondary level as defined by state law;
- have completed secondary school education in a homeschool setting which qualifies for an exemption from compulsory attendance requirements under state law, if state law does not require a homeschooled student to receive a credential for their education; or
- have completed one of the ability-to-benefit (ATB) alternatives and are either currently enrolled in an eligible career pathway program or first enrolled in an eligible postsecondary program prior to July 1, 2012.

A student may self-certify on the FAFSA that they have received a high school diploma or high school equivalency certificate or that they have completed secondary school through homeschooling as defined by state law. If a student indicates that they have a diploma or high school equivalency certificate, your school isn't required to ask for a copy (except as noted below), but if your school requires a diploma for admission, then you must rely on that copy of the diploma or high school equivalency certificate and not on the student's certification alone.

Awards submitted to the Common Origination and Disbursement (COD) system for all students require a Student Eligibility Code (previously Ability to Benefit Code) to report how the student (including graduate and professional students) is qualified to study at the postsecondary level (e.g. by obtaining a high school diploma or its recognized equivalent). For more detail on submitting the appropriate Student Eligibility Code, see the COD Technical Reference in the Knowledge Center.

## Academic qualifications

HEA Sec. 484(d), [34 CFR 668.32\(e\)](#), COD Technical Reference

### Checking the validity of a high school diploma

If your school or the Department has reason to believe that a student's high school diploma is not valid or was not obtained from an entity that provides secondary school education, you must develop and follow procedures to evaluate the validity of the student's high school completion. To satisfy this requirement, your school may:

1. check with the high school to confirm the validity of the student's diploma; and
2. confirm with the relevant department or agency in the state in which the secondary school is located that the secondary school is recognized as a provider of secondary school education.

The above two-part description satisfies the high school validity requirement. Other approaches may also be used if they if they serve to validate the student's high school completion. Students who indicate on their FAFSA that they graduated high school must give the name, city, and state of the high school. FAFSA on the Web will not allow students to skip these items, and it will have a drop-down list of both public and private high schools populated by the National Center for Education Statistics (NCES). Inclusion on the list does not mean that a diploma from the school is valid, nor does exclusion from the list mean that the diploma is invalid. Acceptable documentation for checking the validity of a student's high school completion can include the diploma and a final transcript that shows all the courses the student took.

Diplomas from unaccredited high schools can be valid and qualify students to receive Title IV funds, as well as to meet college admission standards. One resource that a school may consider using to determine if a high school diploma is valid is the department of education of the state in which the high school is located, if that agency has jurisdiction over the high school. Colleges are also free to consult with each other as they develop their procedures for checking the validity of high school diplomas. For students who completed their secondary schooling outside the United States, comparable documents can help, as can the services of companies that determine the validity of foreign secondary school credentials.

A student's self-certification is not sufficient to validate a high school diploma that is in question. If there is conflicting information between the student's certification on the FAFSA and other documentation or information obtained from the student, the institution must resolve this conflict. For an institution to be a Title IV eligible institution, it must admit as regular students only those with a high school diploma or the recognized equivalent and/or those who are beyond the age of compulsory school attendance in the State where the institution is located. As in other areas of FSA administration, schools have final authority in meeting this requirement. The Department does not plan to have an appeal process or to intervene in reasonable determinations made by school administrators, such as a decision to move a high school from a college's acceptable to unacceptable list or a case where one school has different lists than another.

### Checking the validity of high school completion

## Foreign high school diplomas

High school diplomas/transcripts from other countries are acceptable toward the student eligibility general requirement, as long as the diploma is equivalent to a U.S. high school diploma.

A school that is qualified to evaluate the credential may do so. A school that is not qualified or chooses not to evaluate the credential can instead require students to have their credential evaluated by a company that offers such a service. The school may pay for the evaluation, but if it does so, it can only have students reimburse it for the cost if it requires the evaluation as part of its admission process for all students who have a foreign credential.

You may not require only students who are applying for federal student aid to pay the school to have their credential evaluated because that would amount to the school charging a fee to complete the FAFSA, which is prohibited under HEA 483(a)(6). In such cases, because the cost of evaluating a foreign credential is incurred as a charge of admission prior to enrollment in an eligible program, it cannot be included in students' cost of attendance (COA).

You may accept self-certification that a student has completed a foreign high school (or equivalent) education if:

- The student is selected for verification tracking groups V4 or V5 (see the Application and Verification Guide for more information), in which the student must provide proof of high school completion; and
- It is impossible for a refugee, asylee, or victim of human trafficking to obtain documentation of their completion of a secondary school education in a foreign country.

In these cases, the applicant must:

- Present their entry status documentation that demonstrates their current or prior status as a refugee, asylee, or victim of human trafficking who entered the U.S. after the age of 15; AND
- Provide proof of their attempt to obtain documentation of their completion of a secondary school education in a foreign country, i.e. a copy of an e-mail or letter (including proof of mailing) (see item FHD-Q2/ A2 at [www2.ed.gov/policy/highered/reg/hearulemaking/2009/hsdiploma.html](http://www2.ed.gov/policy/highered/reg/hearulemaking/2009/hsdiploma.html)).

## Recognized equivalents of a high school diploma

The Department recognizes several equivalents to a high school diploma:

- A GED certificate;
- a certificate or other official completion documentation demonstrating that the student has passed a state-authorized examination (such as the Test Assessing Secondary Completion (TASC) the High School Equivalency Test (HiSET), or, in California, the California High School Proficiency Exam) that the state recognizes as the equivalent of a high school diploma (certificates of attendance and/or completion are not included in this qualifying category);
- an associate's degree;
- successful completion of at least 60 semester or trimester credit hours or 72 quarter credit hours that does not result in the awarding of an associate's degree, but that is acceptable for full credit toward a bachelor's degree at any institution; or
- enrollment in a bachelor's degree program where at least 60 semester or trimester credit hours or 72 quarter credit hours have been successfully completed, including credit hours transferred into the bachelor's degree program.
- for a student who enrolls without completing high school, a transcript indicating the student has excelled in high school. The student must no longer be enrolled in high school, must satisfy your school's written policy for admitting such students, and must be starting a program that leads at least to an associate's degree or its equivalent.

Note that merely possessing a certificate of attendance and/or high school completion is **not** sufficient for a student to be Title IV aid eligible. Such a certificate may be issued without a student having completed all of the academic graduation requirements, including passing any required examinations. A state must consider a certificate or high-school-completion-



equivalency test as equivalent to a high school diploma in that state in order for it to be considered equivalent to a high school diploma for Title IV aid eligibility purposes.

## High school documentation not yet received

A student enrolls in the bachelor's degree program at a university. The student completes their high school requirements early, but the high school does not formally issue the high school diploma until a later time. The university can award the student Title IV funds if it obtains a statement signed by an official from the high school attesting that the student has completed all of the required coursework and has successfully passed any required proficiency examinations for the high school diploma. The statement must include the date when the actual high school diploma will be issued. For more detail, see [34 CFR 600.2](#), and <https://www2.ed.gov/policy/highered/reg/hearulemaking/2009/hsdiploma.html>.

## When a student gives conflicting statements regarding diploma status

When a student gives conflicting statements regarding their diploma status, for example, stating one year that they had a high school diploma, and in a subsequent year either notifying you that the previous submission was a mistake, or simply answering "no" to the high school diploma question, then the student was ineligible for all Title IV aid in the prior award year, and is ineligible for all Title IV aid going forward. Before removing all aid, you should verify their answer.

In this case, the student is responsible for any overpayment they received when ineligible, including aid received for completed award years. You (the school) must communicate to the student that they have the responsibility for repaying the overpayment(s). You may also be required to report the overpayment to the National Student Loan Data System (NSLDS) ; for more details, see *Volume 4, Chapter 3*. You may refer the case to the Department for collection if the student does not repay the overpayment(s). See *Volume 4, Chapter 3* for a sample report form.

## Homeschooling

Though homeschooled students are not considered to have a high school diploma or equivalent, they are eligible to receive Title IV funds if their secondary school education was in a homeschool that state law treats as a home or private school (see <https://hslda.org/legal> for requirements for each state).

Some states issue a secondary school completion credential to homeschoolers. If this is the case in the state where the student was homeschooled and the state requires receipt of the credential, the student must obtain it to be eligible for Title IV funds . You may rely on a homeschooled student's self-certification that they completed secondary school in a homeschool setting. The student can include in their homeschooling self-certification that they received this state credential.

An eligible *institution* is defined in part as one that admits as regular students only those who have a high school diploma or equivalent, are beyond the compulsory age of attendance for the school's state, or are dually enrolled at the college and a secondary school. For students who finish homeschooling at a younger age, the Department considers them to be beyond the age of compulsory attendance if:

- your school's state would not require them to obtain a secondary completion credential as provided under state law; or
- the student has completed a secondary school education in a homeschool setting that qualifies as an exemption from compulsory attendance under state law.

See also *Volume 2, Chapter 1*.

## Homeschooled students and institutional eligibility



# Homeschooled students

HEA Sec. 484(d)(3), [34 CFR 668.32\(e\)\(4\)](#)

## State regulations (for home-schooling and other purposes)

[www2.ed.gov/admins/comm/choice/regprivschl/index.html](http://www2.ed.gov/admins/comm/choice/regprivschl/index.html)

## Ability-To-Benefit (ATB) Alternatives & Eligible Career Pathway programs (ECPP)

Students may become eligible for Title IV aid through the ATB alternatives in one of two ways. If a student first enrolled in an eligible postsecondary program prior to July 1, 2012 (regardless of receipt of any Title IV aid), the student may enroll in any eligible program and can become eligible through one of the ATB alternatives. However, if a student first enrolled in an eligible postsecondary program on or after July 1, 2012, the student may only become eligible through one of the ATB alternatives if the student is enrolled in an “eligible career pathway program” (see below for more details about eligible career pathway programs). An ATB student need not be enrolled concurrently in both the eligible postsecondary program and the component for attaining a high school diploma or its recognized equivalent.

The ATB alternatives include:

- Passing an independently administered Department of Education approved ATB test (see chart at the end of this section).
- Completing at least six credit hours or 225 clock hours that are applicable toward a Title IV-eligible degree or certificate offered by the postsecondary institution (neither remedial nor developmental coursework count toward this requirement). The coursework must demonstrate that the student has the ability to benefit from the postsecondary program in which the student is enrolled or intends to enroll, but need not be applicable to the specific degree or program in which the student is enrolled.
- Completing a state process approved by the Secretary of Education. Note: To date, state processes have been approved by the Secretary for the states of Washington, Illinois, Iowa, Mississippi, Minnesota and Wisconsin.

**Eligible Career Pathway Programs.** An eligible career pathway program is a program that combines rigorous and high-quality education, training, and other services that:

1. Align with the skill needs of industries in the economy of the state or regional economy involved;
2. Prepare an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the Act of August 16, 1937 (commonly known as the “National Apprenticeship Act”; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.);
3. Include counseling to support an individual in achieving the individual’s education and career goals;
4. Include, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;
5. Organize education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable;
6. Enable an individual to attain a high school diploma or its recognized equivalent, and at least one recognized postsecondary credential; and

7. Help an individual enter or advance within a specific occupation or occupational cluster.

You must make a determination on whether a program meets these criteria, and you are responsible for documenting that your career pathway program(s) meet each of the requirements described above. The Department does not require that you receive approvals or endorsements from a State or local workforce agency to fulfill these requirements, although that may be one way that you document your compliance.

You must maintain documentation that each eligible career pathway program that you use as a basis for determining a student's eligibility under the ATB alternatives meets the above requirements. This must include documentation that the program(s) in question include workforce preparation activities and training for a specific occupation or occupational cluster, and that the program is aligned with the skill needs of the U.S. state or regional economy in which your school is located.

Additional information regarding the requirements for eligible career pathway programs can be found in [Dear Colleague Letter GEN-16-09](#).

**Eligibility of Other Students Without a High School Diploma (Grandfathered Students).** As discussed in [Dear Colleague Letter GEN-12-09](#), students who were enrolled in an eligible program of study prior to July 1, 2012 may continue to establish Title IV eligibility in any eligible program under one of the ATB alternatives by using the following grandfathering test:

**Question 1:** Did the student attend an eligible program at any Title IV institution prior to July 1, 2012? If yes, the student may use any of the ATB alternatives (as described above) to become eligible for Title IV funds. If no, continue to Question 2.

**Question 2:** Did the student, prior to July 1, 2012, officially register at a Title IV institution, and was the student scheduled to attend an eligible program? If yes, the student may use any of the ATB alternatives (as described above) to become eligible for Title IV, HEA student assistance. If no, the student may not use the ATB alternatives to become eligible for Title IV, HEA student assistance, unless the student is enrolled in an eligible career pathway program.

For a student who qualifies to use one of the ATB alternatives through enrollment in an eligible program prior to July 1, 2012, you must document that the student successfully completed one of the approved ATB alternatives described above. Such documentation could include documentation from NSLDS that shows a student's prior receipt of Title IV funds, or a transcript or other receipt that demonstrates enrollment in an eligible program.

## ATB & ECPP Eligibility timing

When a student becomes eligible through enrollment in an Eligible Career Pathway program or by completing "at least 6 credit hours or 225 clock-hours that are applicable to a degree or certificate offered by your school," as an ATB alternative, the student does not gain eligibility during the period in which they are completing those hours. The student only becomes eligible for Pell Grants and Campus-Based aid in payment periods following the period in which the hours were completed, and a school may only originate a Direct Loan for a period which follows the period in which the hours were completed.

## Ceasing to be an ATB student

A student who gained Title IV eligibility under one of the ATB alternatives ceases to be an ATB student when they obtain a high school diploma or its recognized equivalent. At that point, the student is no longer subject to the restrictions on ATB students, including that the student be enrolled in an eligible career pathway program in order to be (potentially) Title IV-eligible.

## ATB options & Eligible Career Pathway Programs

[34 CFR 668.32\(e\)\(2,3,5\)](#)

Consolidated Appropriations Act of 2016 (Public Law 114-113)

## ATB tests

[34 CFR Part 668 Subpart J](#) (Sections 141–156)

[11/09/20 Federal Register](#)

[DCL GEN-12-09](#)

### Approved ATB Tests

| Approved ATB Tests   | Publishers & Passing Scores  |
|--|--|
| Wonderlic Basic Skills Test (WBST) Verbal Forms VS-1 and VS-2, Quantitative Forms QS-1 and QS-2. This is a paper test.                                   | Wonderlic, Inc., 400 Lakeview Parkway, Suite 200, Vernon Hills, IL 60061 Contact: Chris Young, 847-247-2544 Passing Scores: Verbal 200, Quantitative 210                                       |
| Wonderlic Basic Skills Test (WBST) Verbal Forms VS-1 and VS-2, Quantitative Forms QS-1 and QS-2. This is an online version of the tests.                 | Wonderlic, Inc., 400 Lakeview Parkway, Suite 200, Vernon Hills, IL 60061 Contact: Chris Young, 847-247-2544 Passing Scores: Verbal 200, Quantitative 210                                       |
| Spanish Wonderlic Basic Skills Test (Spanish WBST) Verbal Forms VS-1 and VS-2, Quantitative Forms QS-1 and QS-2. This is a paper test.                   | Wonderlic, Inc., 400 Lakeview Parkway, Suite 200, Vernon Hills, IL 60061 Contact: Chris Young, 847-247-2544 Passing Scores: Verbal 200, Quantitative 200                                       |
| Spanish Wonderlic Basic Skills Test (Spanish WBST) Verbal Forms VS-1 and VS-2, Quantitative Forms QS-1 and QS-2. This is an online version of the tests. | Wonderlic, Inc., 400 Lakeview Parkway, Suite 200, Vernon Hills, IL 60061 Contact: Chris Young, 847-247-2544 Passing Scores: Verbal 200, Quantitative 200                                       |
| Combined English Language Skills Assessment (CELSA), Forms 1 and 2.  | Association of Classroom Teacher Testers (ACTT), 1187 Coast Village Road, Suite 1, 378 Montecito, CA 93108 Contact: Pablo Buckelew, 805-965-5704 Passing Scores: CELSA Form 1: 97, Form 2: 97. |
| ACCUPLACER Computer-adaptive tests and Companion ACCUPLACER Forms J & K: Reading, Writing, Arithmetic  | The College Board, 250 Vesey Street, New York, NY 10281 Contact: The ACCUPLACER Program, 800-607-5223 Passing Scores: Reading 233, Writing 235, and Arithmetic 230.                            |
| Texas Success Initiative (TSI) Assessment Computer-adaptive tests and COMPANION TSI Forms T and V: Reading Placement Test, Writing Placement Test,       | The College Board, 250 Vesey Street, New York, NY 10281 Contact: The TSI Assessment, 800-607-5223 Passing Scores: Reading Placement Test 336, Writing Placement Test 345,                      |

To refer to ATB tests which were approved in the past, see the [June 24, 2015 E-Announcement](#) on FSA Partner Connect

## Satisfactory Academic Progress (SAP)

To be eligible for Title IV funds, a student must make satisfactory academic progress, and your school must have a reasonable policy for monitoring that progress. The Department considers a satisfactory academic progress policy to be reasonable if it meets both the qualitative and quantitative criteria explained in this section.

Your SAP policy must be at least as strict (in terms of the qualitative and quantitative standards discussed below, not the frequency with which these are checked) as your SAP policy for students enrolled in the same program of study who are not receiving Title IV funds at your school, and it must apply equally to all students within categories, e.g., full-time, part-time, undergraduate, and graduate students. A school may create different SAP policies for different categories or groups of students, e.g. full-time vs. part-time, undergraduate vs. graduate students, and students enrolled in different academic programs.

You may use standard rounding rules on any SAP measurements for both qualitative and quantitative components (i.e. round up X.5 and higher, round down if below X.5). If you choose to round any SAP measurements, your policy for doing so must be included in your school's general SAP policy. A student is either making SAP for all Title IV programs, or is not. You cannot say a student is making SAP for Pell but not for Direct Loans.

Your policy(ies) must include an academic progress evaluation at the end of each payment period for students in programs lasting one year or less. For all other programs, the policy must include annual reviews which must correspond with the end of a payment period. For programs greater than one year, your policy may also call for progress reviews after each payment period. If you review at each payment period, you must review SAP after every term, (including any summer terms) the student was enrolled. You may have reasonable rules for students who initially enroll in specific courses but modify that enrollment within a limited time.

## Grades and pace of completion

Your school's policy must specify that both the **quantitative (pace)** and **qualitative (grade-based)** standards are reviewed at each evaluation point, if required for that program (nonterm credit, subscription-based and clock-hour programs are exempt from the quantitative/pace evaluation, see discussion of the quantitative standard below). Each component *may* include a payment period-based standard but *must* include a cumulative standard. You may review SAP via satisfactory progress checks more frequently, (for example, monthly), but the more frequent reviews are considered informal checks and cannot replace the review that is required to be conducted at the end of the payment period.

**Your policy must specify the qualitative standard** (grade point average or GPA) that a student must have at each evaluation or, if GPA is not an appropriate qualitative measure, a comparable measure against a norm. In addition, the HEA requires a specific qualitative review at the end of the student's second academic year. Students enrolled in a program of more than two academic years must have a GPA of at least a "C" or its equivalent or must have an academic standing consistent with your school's graduation requirements.

Having a standing consistent with the requirement for graduation means you could use an escalating GPA instead of a fixed one. For example, if your school uses a 4-point scale, it could require students to have a 2.0 average by graduation but allow their average to be lower earlier in their program. If your policy permits such a progression and a student falls below a C average, you must be able to document that her average is consistent with the academic standard required for graduation.

Remedial coursework **must** be included in the qualitative assessment of SAP. The courses need not be included in the student's GPA; however, your school must have some means of assessing a student's qualitative academic progress in remedial coursework. Similarly, you must have a means of assessing student progress in programs comprised entirely of pass/fail coursework.

Courses attempted on a pass/fail basis count as attempts for SAP purposes (see the guidance below on pace), but are not

factored into a student's GPA for SAP purposes. When there are just a few pass/fail courses in the overall program, such courses do not have to be included in the qualitative/grades SAP component as long as they are counted in the quantitative/pace component. However, a program comprised primarily or 100% of pass/fail coursework must be counted in both qualitative and quantitative components.

**Your SAP policy must also specify the quantitative standard** (pace) at which students must progress through their program to ensure that they will graduate within the maximum timeframe (see below for full definition of maximum timeframe), and each satisfactory progress check must measure this. Nonterm credit, subscription-based and clock-hour programs are now exempt from the quantitative/pace evaluation. For these exempt programs, your school may, at its option, include the exempt programs/credits in an SAP calculation for the quantitative component of SAP (see the [9/2/20 final regulation](#)).

For credit-hour programs using standard or nonstandard terms that are not subscription-based programs, you calculate the pace at which a student is progressing by dividing the total number of hours the student has successfully completed by the total number they have attempted, or by determining the number of hours that the student should have completed by the evaluation point in order to complete the program within the maximum timeframe. You may include, but aren't required to include, remedial courses when making the assessment of the quantitative component of SAP.

As noted above, subscription-based programs are exempt from including a quantitative/pace component as part of SAP. However, a student enrolled in a subscription-based program must meet certain coursework completion requirements to receive a disbursement of Title IV funds. For more detail on the coursework completion requirements to receive disbursements in subscription-based programs, see *Volume 3, Chapter 1, Appendix B*.

You may exclude from the SAP quantitative/pace calculations any credits a student attempted, but could not complete due to the COVID-19 national emergency. It is not necessary for a student to have filed a SAP appeal for a school to exercise this flexibility, but you must have reasonably determined that the student's failure to complete those credits was the result of a COVID-19 related circumstance. Allowable circumstances include, but are not limited to:

- illness of the student or family member;
- need to become a caregiver or first responder;
- economic hardship;
- added work hours;
- loss of childcare;
- inability to continue with classes via distance education; and
- inability to access wi-fi due to closed facilities.

Please note that this flexibility is applicable for SAP assessments made through the end of the payment period that includes the last date that the national emergency is in effect.

Checking a student's pace of completion allows for variations of enrollment status since you look at the percentage of classes successfully completed rather than a time-frame in which courses are taken. Also, you can use a graduated completion percentage for each year of a program. For instance, your policy can permit students to complete a lower percentage of their classes in the first academic year but require them to complete an increasing percentage in subsequent years so that they finish their program in time. A student becomes ineligible (via the maximum timeframe element) at the point at which it becomes mathematically impossible for them to complete the program within 150% of its length if it is an undergraduate program, or within the maximum timeframe established by the school if it is a graduate program (for more on maximum timeframe, see the maximum timeframe definition below). In this situation, an appeal would be possible if your school allows appeals.

Your policy must explain how GPA and pace of completion are affected by incomplete courses, withdrawals, and repetitions, and by transfer credits from other schools. Generally, all periods of the student's enrollment count when assessing progress, even periods in which the student did not receive Title IV funds. However, only transfer credits that count toward the student's current program must be counted, as both attempted and completed hours. Credits that are not counted toward the student's program may also be counted, at your school's discretion, as described in your SAP policy. Your policy may permit that for students who change majors, credits and grades that do not count toward the new major will not be included in the satisfactory progress determination. You may limit how many times a student can change majors, for SAP purposes.

Your SAP policy cannot exclude from the satisfactory progress check courses in which a student remained past the add/drop period and earned a grade of “W” (or its equivalent), nor can it exclude a specific type of hours attempted, such as those taken during a summer session. A review of SAP is not complete until both the qualitative and quantitative measures have been reviewed. If a satisfactory progress check shows that a student does not have the required GPA or is not maintaining the required pace, the student becomes ineligible for Title IV funds unless your school reviews SAP after every payment period or permits SAP appeals, as explained below.

You may monitor SAP throughout the payment period, for example, at the end of each month, but an official review (i.e., for Title IV eligibility purposes) may only occur at the end of a payment period. A monthly evaluation that contains the end of a payment period (such as hour 450) cannot count as the official evaluation for the entire payment period. After an official evaluation, a student not meeting SAP standards must be placed on termination (i.e., immediate loss of Title IV eligibility), warning, or probation (if the student submits a successful appeal) status. You may not put a student on warning or probation for less than a payment period.

## SAP matching progress and published length of program

A school’s attendance policy may be more strict than the quantitative (pace) standard for SAP. However, if the standards do not match, a student may continue to meet SAP progress requirements for one standard and not for the other, which can result in the student being charged overtime charges due to failing to meet the stricter standard. If, in a program to which these standards apply, a substantial majority of students graduate after the published length of the program (while retaining Title IV eligibility and incurring overtime charges), ED would expect the school to revise the published length of the program.

## Satisfactory progress definitions

**Appeal**—A process by which a student who is not meeting SAP standards petitions the school for reconsideration of their eligibility for Title IV funds.

**Financial aid probation**—A status a school assigns to a student who is failing to make satisfactory academic progress and who successfully appeals. Eligibility for aid may be reinstated for one payment period.

**Financial aid warning**—A status a school assigns to a student who is failing to make satisfactory academic progress. The school reinstates eligibility for aid for one payment period and may do so without a student appeal. This status may only be used by schools that check SAP at the end of each payment period and only for students who were making SAP in the prior payment period for which they were enrolled or who were in the first payment period of their program.

### Maximum timeframe:

- For an undergraduate program measured in credit hours, a period no longer than 150 percent of the published length of the program, as measured in credit hours, or expressed in calendar time. If your school chooses to use calendar time to measure maximum timeframe, you evaluate a student’s pace by determining the number of hours that the student should have completed at the evaluation point in order to complete the program within the maximum timeframe. Measuring credits completed over calendar time may be considered a stricter method of evaluation, as it holds a student to the same pace regardless of the student’s enrollment status in any given payment period. Note that evaluating SAP progress via calendar time for credit hour programs is optional; you may still evaluate progress for these programs by measuring credit hours.
- For an undergraduate program measured in clock hours, a period no longer than 150 percent of the published length of the program as measured by the cumulative number of clock hours the student is required to complete and expressed in calendar time. (Note that a student in a clock hour program cannot receive aid for hours beyond those in the program; the maximum timeframe applies to the amount of calendar time the student takes to complete those hours.)
- For a graduate program, a period the school defines that is based on the length of the program. Credit hour graduate programs may also measure maximum timeframes either in credit hours or calendar time.

At each official SAP evaluation point, (at the end of a payment period) you must evaluate whether it is possible for students to complete their program within the maximum timeframe. Students fail the maximum timeframe measure at the point at which it is determined that it is not possible for them to complete their program within the maximum



timeframe, not at the point they actually reach the maximum timeframe.

## SAP new/conflicting information requirements

SAP calculations are to be performed at established intervals which must coincide with the end of a payment period as prescribed in 34 CFR 668.34(a)(3). You are not required to recheck SAP and/or recalculate as the result of grade changes that occur between formal SAP evaluations.

However, a school may have a policy of recalculating to account for subsequent grade changes. If your school has a policy to recalculate, you may make disbursements of Title IV aid for which the student becomes eligible as a result of the grade changes. However, there are limitations on when a school can make a disbursement in these circumstances:

- For Pell and TEACH Grants, you may only make a disbursement based on a grade change during the payment period immediately following the SAP evaluation that was affected by the change.
- For all other types of Title IV aid, you may only make a disbursement based on a grade change during the academic year in which the SAP evaluation takes place, or, if the evaluation takes place at the end of an academic year, during the academic year following that SAP evaluation.

For example, consider a student who was deemed ineligible for Title IV aid in the spring term due to failing an SAP evaluation at the end of the fall. If the school changes the student's grades during the spring term, it could pay the student Pell or TEACH Grant funds for the spring. However, if the school decided to change the student's grades after the spring term ended, it could not disburse Pell or TEACH Grant funds to the student for the spring term.

Schools should **not** alter aid already disbursed to students based on SAP evaluations that were accurate at the time they were performed. For example, consider a student who was deemed eligible for Title IV aid in the spring term after passing a SAP evaluation that included incomplete classes, but the school changes those incomplete grades to failing grades during the spring term. Had the student failed those courses prior to the SAP evaluation, they would have failed the evaluation and been ineligible for aid during the spring term. However, in this situation, the school should not return the student's Title IV aid for the spring term because the student was eligible on the basis of a SAP evaluation that was accurate at the time it was performed.

Whether or not your school has a policy of rechecking SAP between evaluation points, any grade changes must be accounted for in the next scheduled SAP evaluation. Although schools have the option of recalculating SAP due to grade changes, these changes should be a rare occurrence. If changes to student eligibility on the basis of grade changes occur on a regular, consistent basis, FSA may have compliance concerns.

## Financial aid warning

Only schools that check satisfactory progress at the end of each payment period may place students on financial aid warning as a consequence of not making satisfactory progress. A school may use this status without appeal or any other action by the student. Warning status lasts for one payment period only, during which the student may continue to receive Title IV funds. Students who fail to make satisfactory progress after the warning period lose their aid eligibility unless they successfully appeal and are placed on probation. Schools do not need to use the warning status; they can instead require students to immediately appeal to be placed on probation.

## Appeals, financial aid probation, and academic plans

All schools may use financial aid probation as part of their satisfactory progress policy. A student who loses FSA eligibility because they failed to make satisfactory progress may (if the school permits appeals) appeal that result on the basis of: the student's injury or illness, the death of a relative, or other special circumstances. The appeal must explain why the student failed to make satisfactory progress and what has changed in their situation that will allow them to make satisfactory progress at the next evaluation.

If you determine, based on the appeal, that the student should be able to meet the SAP standards by the end of the subsequent payment period, you may place the student on probation without an academic plan. You must review the student's progress at the end of that one payment period, as probation status is for one payment period only. If you determine, based on the appeal, that the student will require more than one payment period to meet progress standards,



you may place them on probation and develop an academic plan for the student. You must review the student’s progress at the end of one payment period as is required of a student on probation status, to determine if the student is meeting the requirements of the academic plan.

If the student is meeting the requirements of the academic plan (or the generally applicable SAP requirements which apply to all students, outside of any individualized academic reinstatement plan), the student is eligible to receive Title IV aid as long as the student continues to meet those requirements and is reviewed according to the requirements specified in the plan.

Your school determines the process and documentation required for an appeal. It may decide to require more extensive information on an initial appeal and some type of an update statement on a subsequent appeal. The regulations do not specify what must be included in an academic plan. The school and the student must develop a plan that ensures that the student is able to meet the school’s satisfactory progress standards by a specific time, though an academic plan could instead take the student to successful program completion. Students must also appeal to change their plan. They must explain what has happened to make the change necessary and how they will be able to make academic progress.

## Reestablishing aid eligibility

Your policy, even if it does not permit appeals, must explain how students who are not making satisfactory academic progress can restore their eligibility for Title IV funds. Other than when a student is placed on financial aid warning or probation or has agreed to an academic plan as outlined above, they can regain eligibility only by taking action that brings them into compliance with your school’s satisfactory progress standards. The requirement that a student complete a number of credits or enroll for a number of academic periods without receiving Title IV funds, or that they interrupt their attendance for one or more academic periods, may be part of your academic progress policy. However, paying for one’s classes without Title IV funds or sitting out for a term does not affect a student’s academic progress status, so neither is sufficient to reestablish aid eligibility.

## Grades and SAP: Academic amnesty/renewal

Some schools have academic amnesty/renewal procedures through which a student can apply to have credits attempted and grades earned in previous semesters excluded from the calculation of the student’s grade point average. The FSA program regulations make no provision for the concept of academic amnesty or academic renewal. Therefore, a school must always include courses applicable to a student’s major (whenever taken) in evaluating a student’s satisfactory academic progress (both quantitative and qualitative components) except as permitted under their SAP policy for handling repeat coursework. However, a student may be able to appeal loss of eligibility due to special circumstances.

## SAP for test-based credits

Some schools have developed tests in accord with their academic standards, such as language proficiency tests, which students can receive course credit for taking. If such credits count toward the student’s program, the grades for those credits count in the student’s GPA for all FSA purposes. Such credits must be counted towards SAP for quantitative/pace purposes, and may, according to the school’s written policy, be counted towards the student’s qualitative/grades SAP measurement.

### Satisfactory Academic Progress

HEA Sec. 484(c), [34 CFR 668.16\(e\)](#), [34 CFR 668.32\(f\)](#), [34 CFR 668.34](#)  
Q&A: <https://www2.ed.gov/policy/highered/reg/hearulemaking/2009/sap.html>

#### **Four-year credit-hour program with appeal**

Students in a bachelor's degree program at National College must complete 120 credits and may attempt up to 180 credits (120 x 150%). National reviews a student's academic progress once per year and has a pace of completion of 2/3 or 66.67% of the classes that students attempt; it requires a cumulative GPA of 1.50 after the first year, 1.75 after the second year, and 2.0 after the third year and beyond.

In his first semester, Danny fails one course and withdraws (late in the term) from one of his five courses (15 credits). He takes four courses in his second semester and again fails one and withdraws from one. Though his GPA is 1.71, he isn't making SAP by the end of the first year because he completed only 15 credits out of the 27 he attempted, and two-thirds (2/3) of 27 is 18. Danny applies for an appeal, but because his only reason for not making SAP is that he wasn't able to concentrate on college after being in high school, and because he doesn't offer evidence showing what has changed, the aid administrator at National denies his appeal, and he is ineligible for aid in his second year.

Even if Danny had a more convincing reason for failing at SAP, such as being injured and being rendered unable to participate effectively in his normal activities, the administrator might still have denied his appeal because she saw little improvement or variation in Danny's pace of completion and did not determine that he would likely be making SAP a year later. If Danny's academic performance improves by the end of his second year so that he is meeting the SAP criteria, he can again receive Title IV funds.

#### **4-year credit-hour program with warning and appeal**

Krieger University checks SAP every quarter, which permits it to use financial aid warnings. Students must complete 144 credit hours to receive a BA or BS degree, and they may attempt up to 216 credit hours to complete a program. Students must complete at least half of the credits they attempt in their first year and 75% of their credits in each year after that. They must have no less than a 2.0 GPA at all times.

Gina finishes her first year at Krieger with a 2.25 GPA and completes all of the credits that she attempts, so she is making SAP. After the first quarter in her second year, she again completes all of her classes but poor grades leave her with a 1.94 GPA. The aid administrator places her on financial aid warning for one quarter and informs her that she is not meeting the SAP standards. Gina does poorly in the next quarter as well, and her GPA drops to 1.85. The aid administrator informs her that she can't continue on warning status and needs to submit an appeal explaining why she is failing to make SAP and why she thinks that will change and allow her to again make SAP.

Gina brings the administrator an obituary showing that her mother died recently, which required that she help with family affairs and caused her to lose her focus at school. She asserts that is over now. The administrator places her on probation and suggests that she might take fewer courses. But Gina enrolls full time and again receives poor grades, causing her GPA to drop to 1.80. The administrator informs Gina that she has become ineligible for Title IV funds but that she can become eligible again if she raises her GPA to 2.0 or that she can submit another appeal (the latter appeal must be based on a reason different from the first appeal) and this time request to be placed on an academic plan.

#### **Satisfactory Academic Progress Examples: One-Year Programs**

##### **1-year credit-hour program with financial aid warning**

Carver University has a program that a full-time student can complete in 24 semester hours. Because this is a one-year program, Carver must check SAP every payment period. Their policy is that students must complete the program by the time

academic performance until late in (or the end of) the program, Fowler decides not to use warnings. Instead, it requires students to submit an appeal when they are not meeting SAP standards.

After the first four months, Anthony's GPA is 3.0, but he completes only 250 of the 300 clock hours that

they have attempted 36 (150% of 24) hours, and the pace of completion is 2/3 or 66.67%. They require a 2.0 GPA at all times.

Suzie plans to take two classes (eight hours) each semester. In the first term, she fails one class and gets a B in the other. Her GPA is 1.5 and her pace of completion is 50%, so Carver automatically places her on financial aid warning and informs her of this. In her second semester, Suzie gets a C (in the class she failed in the first semester) and an A, raising her GPA to 2.25 (Carver counts all grades for retaken classes), and she has completed 75% of her classes, so she restores her aid eligibility.

#### **Clock-hour program with appeal** Fowler

Community College has a 900-clock-hour program that normally takes eight months to complete. Fowler allows a maximum timeframe of 12 months to complete the program, and students must complete at least 300 clock hours out of the 450 clock hours of each payment period (four months) and maintain a 2.0 GPA. Because the program is so short and financial aid warnings would delay a rigorous review of students'

were required for the payment period. Fowler informs him that he must submit an appeal to continue to receive Title IV funds. Anthony tells the administrator that he was diagnosed with depression, which prevents him from doing as much as he'd like. He provides a note from his psychiatrist and affirms that he is doing better since he has received regular treatment. The administrator grants his appeal and puts him on financial aid probation since she determines that Anthony can finish the program in the remainder of the year. She drafts a plan that allows him some flexibility in his pace of completion and that requires him to check with her once a month to inform her of his progress in his classes.

After four more months, Anthony's GPA is 3.3, and he has completed 580 hours out of the 600 required under Fowler's published SAP policy, which would normally make him ineligible for Title IV funds. But because he is progressing according to his personal SAP plan and is predicted to complete the program within the maximum timeframe, he may continue to receive aid.

### SAP Practices FAQs

Q. If a student fails SAP at the end of a payment period and becomes ineligible for aid in the next payment period, can the school still provide a late disbursement of aid for eligible coursework associated with the previous payment period?

A. Yes, if the student meets all of the late disbursement requirements (and was in all other ways eligible at the time). SAP is forward looking and impacts student eligibility in subsequent payment periods.

Q. After my school makes an SAP evaluation, can a student be placed on warning or probation status (if the appeal is successful) for a period that is shorter than a payment period?

A. No, the warning or probation period must last for at least one payment period.

Q. When determining SAP, is it permissible to only include coursework applicable to the student's program in the qualitative calculation, while including all coursework in the quantitative calculation?

A. Normally, coursework assessed must be the same for both qualitative and quantitative measures.

However, in the case of a transfer student, all of a student's credits accepted towards the new program must be counted in the quantitative measurement, but transfer credits are optional in the qualitative measurement. You are not required, for instance, to factor in grades from other institutions into students' GPA at your school.

Q. May we have a policy in our larger SAP policy that when a student changes majors or program, only the credits still applicable to the student's new major count towards SAP?

A. Yes. The treatment of a student who changes majors is determined by the school. You must specify in your SAP policy whether or not you will include all coursework acceptable towards the degree in which the student is now enrolled.

# Enrollment Status

A student must be enrolled at least half time to receive aid from the Direct Subsidized/Unsubsidized and Direct PLUS Loan programs. The Pell, TEACH Grant, and Campus-Based Programs don't require half-time enrollment, with three exceptions:

- students must be enrolled at least half-time in the payment period(s) for which the student receives the additional Pell Grant funds in excess of 100 percent of the student's Pell Grant Scheduled Award;
- students must be enrolled at least half-time in a teaching credential program to be eligible for Federal Work Study (FWS); and
- For Pell and FWS, but not TEACH, students must be enrolled at least half-time in a post-baccalaureate program for teacher education.

Enrollment status does affect the amount of Pell a student receives; see *Volume 7*. Students in nonterm programs are always considered full-time for Pell purposes.

To be enrolled half time, a student must be taking at least half of the course load of a full-time student. Your school defines a full-time workload, but it must meet the minimum standards in the FSA regulations. The definition of full time for FSA purposes can differ from that used for other purposes at your school, such as the definition used by the registrar's office. Your definition of a full-time workload for a program must be used for all students in that program and must be the same for all FSA-related purposes, including loan deferments. You can't accommodate a student with a learning disability or other handicap by allowing a full-time enrollment status lower (for Title IV financial aid purposes) than the minimum standard (see the section earlier in the chapter on students with intellectual disabilities). Note that for students in Comprehensive Transition and Postsecondary (CTP) programs, the scope of activity that may be counted for full-time status is broader than it is for students in traditional programs.

A school may choose to define half time as half of the minimum fulltime standard established in the regulations even if this is less than half the full-time standard established by the school. For example, if a school sets 14 semester hours as full time, it could use 6 semester hours (one-half of the regulatory full-time minimum of 12) as half time instead of 7.

## Minimum standards for full-time enrollment

A student's workload may include any combination of courses, work, research, or special studies that your school considers sufficient to classify them as full time. This includes, for a term-based program that is not subscription-based, no more than one repetition of a previously passed course that is not due to the student failing other coursework. The regulations specify a minimum standard for undergraduate students but not for graduate students. For undergraduates, full-time status must be at least:

- 12 semester hours or 12 quarter hours per academic term in an educational program using a semester, trimester, or quarter system;
- 24 semester hours or 36 quarter hours per academic year for an educational program using credit hours but not using terms, or the prorated equivalent for a program of less than one academic year; (see example below)
- 24 clock hours per week for an educational program using clockhours;
- A series of courses or seminars equaling 12 semester or quarter-hours over a maximum of 18 weeks;
- For a program that measures credit hours and uses nonstandard terms, the number of weeks of instruction in the term divided by the number of weeks of instruction in the academic year, multiplied by the number of credit hours in the program's academic year;
- The work portion of a cooperative education program in which the amount of work performed is equivalent to the academic workload of a full-time student; or
- For correspondence coursework, a courseload commensurate with the full-time definitions listed here, and at least half of that load must be non-correspondence coursework that meets half of the school's requirement for full-time students.
- For subscription-based programs, a full-time course load commensurate with the full-time definitions for standard and nonstandard term programs listed here. For a full discussion of subscription-based programs and terms, see *Volume 3, Chapter 1*.

For the prorated equivalent for a program of less than one academic year (2nd bullet above), the objective is to determine

if the student is attending at a full-time pace, as this example illustrates: For an academic year of 24 semester hours and 30 weeks of instructional time, in a nonterm setting, full-time is taking an average of .8 hours per week ( $24/30 = .8$ ). If the student is in a 20 semester hour program over 25 weeks, take the number of weeks in the program and multiply by .8.  $25 \times .8$  equals 20 semester hours. Therefore, the student in the 20 hour, 25 week program is attending full-time.

Note that the definition of full-time student, upon which all enrollment statuses are based, has changed. Please refer to [34 CFR 668.2\(b\)](#). The regulatory definitions of credit-hour, clock-hour and academic year have also been updated. For more details, see *Volume 2, Chapter 2* (clock hour and credit hour), *Volume 3, Chapter 1* (academic year), and the [September 2, 2020 Distance Education and Innovation](#) final rule ([34 CFR 600.2](#)).

Your school must have a written policy stating what enrollment status the work portion of a co-op program is equivalent to. If it equals or exceeds a full-time academic load, the co-op student is considered full time regardless of how many credits are earned for the co-op work. A student taking only correspondence courses is never considered to be enrolled more than half time. See *Volume 7* for more on Pell and enrollment status and correspondence courses.

## Eligibility and enrollment status for retaking coursework

The regulatory definition for full-time students allows a student in a term-based program only (except for a subscription-based program) to retake any previously passed course a maximum of once per course. For this purpose, passed means any grade higher than an “F,” regardless of any school or program policy requiring a higher qualitative grade or measure to have been considered to have passed the course. This retaken course may be included in the student’s enrollment status, and would count toward the student’s eligibility for Title IV aid.

SAP regulations allow a student to receive Title IV funds for retaking a course they failed, and if a student withdraws before completing the course they are being paid Title IV funds for retaking, that is not counted as the student’s one allowed retake for that course. However, if a student passed a class once, then is repaid for retaking it, and fails the second time, that failure counts as their paid retake, and the student may not be paid for retaking the class a third time.

If your school has a policy that requires students to retake all of the coursework for a term in which a student fails a course, only the first retake of any previously passed course is eligible for Title IV aid. If a student withdraws from all Title IV eligible courses in the payment period or period of enrollment and continues to attend only a course or courses that are not Title IV aid-eligible during that period, the student is a withdrawal for Title IV purposes. This is because a student is considered to be attending a Title IV eligible program only if they are attending one or more courses in that program for which they are receiving Title IV funds.

If a student who received an incomplete in a course in the prior term is completing the coursework in the subsequent term to erase the incomplete in the prior term, the student is not considered to be enrolled in the course for the subsequent term. Therefore, the hours in the course do not count toward the student’s enrollment status for the subsequent term, and the student may not receive FSA funds for completing the course. However, if a student who received an incomplete in a course in the prior term is retaking the entire course for credit in the subsequent term, the hours in the course count toward the student’s enrollment status, and the student may receive FSA funds for retaking the course.

In any case, remember that retaken classes may count against SAP, and the student’s eligibility is still constrained by all SAP requirements, as discussed earlier in this chapter. Also, the one-year academic limitation on noncredit and reduced credit remedial coursework still applies. So, for example, a student repeating a remedial course that exceeds the one-year limitation could not have the class included in his or her enrollment status.

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## Retaking coursework and remedial coursework provisions

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[34 CFR 668.2\(b\)](#) “Full-time student definition”

[34 CFR 668.20\(d\)](#), [\(f\)](#)

# Retaking coursework school policy and operations

Your school may establish a policy that permits or bars students from retaking previously passed coursework, for example, to improve grade point average. Based on such policies, the applicable guidance in the FSA Handbook and regulations can be used to determine how to award Title IV aid.

You may wish to consult with your school's registrar to ensure that your school's class repetition policy is properly coordinated and implemented by both offices, including any changes that need to be made to the registrar's policies and operations for enrolling students or reporting enrollment to NSLDS.

## Retaking Coursework FAQs:

<https://www2.ed.gov/policy/highered/reg/hearulemaking/2009/course.html>

## Repeating after non-term credit-hour or clock-hour program completion

Any student who successfully completes an entire non-term credit-hour or clock-hour program, and later re-enrolls to take that same program again or to take another program, may be paid for repeating coursework regardless of the amount of time between successful completion of the first program and beginning the program or another program again.

## Counting non-credit or reduced-credit remedial work in enrollment status

A student can receive aid for a limited amount of remedial coursework that is included as part of a regular program. As long as the student qualifies for aid for remedial courses, you must include the remedial courses in the student's enrollment status.

Some schools give no credit or reduced credit for remedial classes. To determine enrollment status, credit hours for the remedial class should be the same as for the comparable full-credit class. If you're using credit hours, you can compare the number of classroom and homework hours of study that the remedial course requires with the hours required for similar courses offered for full credit. Clock-hour schools should use the number of classroom hours attended in the remedial program. For more details, see [34 CFR 668.20](#).

## Enrollment status for students with intellectual disabilities

Because a comprehensive transition and postsecondary (CTP) program for students with intellectual disabilities can include work for which the school awards no credit, such as audited courses, the school must develop equivalencies in credit hours for such work, just as it must do with non-credit remedial coursework. This will allow the school to determine the enrollment status for students in these programs.

## Restriction on coursework/learning which is not Title IV-eligible

Courses that do not count toward a student's degree, certificate, or other recognized credential cannot count toward enrollment status unless they are eligible remedial courses. **This means you cannot award Title IV aid for classes that do not count toward a student's degree, certificate, or credential.**

Similarly, a student who completes the academic requirements for a program but does not yet have the degree or certificate may not receive additional Title IV funds for that program.

Finally, federal student aid can be awarded only for learning that results from instruction provided or overseen by the school. It cannot be awarded for any portion of a program based on study or life experience prior to enrollment in the program or based on tests of learning that are not associated with educational activities overseen by the school.



## Full-time student definition

[34 CFR 668.2\(b\)](#)

## Half-time enrollment

HEA Sec. 428(b)(1)(A), [34 CFR 668.2\(b\)](#)

## Students Convicted of Possession or Sale of Drugs

The FAFSA Simplification Act amended Section 484 of the Higher Education Act of 1965 (HEA), making several important changes to student eligibility criteria. One of these is the elimination of the prohibition on receiving Title IV aid for students with drug-related convictions.

Having a drug conviction while receiving Title IV aid no longer impacts a student's Title IV aid eligibility, and a student who has a drug conviction may be eligible to receive Title IV aid if they meet all other eligibility criteria. The Department has removed the drug convictions questions from the 2023-24 FAFSA, and students with drug convictions are eligible for Title IV aid if they meet all other eligibility requirements.

Note, however, that the eligibility criterion related to the Anti-Drug Abuse Act is unaffected by the removal of the drug conviction question. See the accordion text below.

## Drug convictions

HEA Section 484, [DCL GEN-21-04](#)

[Federal Register Notice June 17, 2021](#)

## Confined or incarcerated individuals

A confined or incarcerated individual is an individual who is serving a criminal sentence in a federal, state, or local penitentiary, prison, jail, reformatory, work farm, juvenile justice facility\*, or similar correctional institution (whether it is operated by the government or a contractor). A student is not considered to be incarcerated if they are subject to or serving an involuntary civil commitment, in a half-way house or home detention, or are sentenced to serve only weekends.

\*Juvenile Justice Facility: A public or private residential facility that is operated primarily for the care and rehabilitation of youth who, under state juvenile justice laws, are accused of committing a delinquent act, have been adjudicated delinquent, or are determined to be in need of supervision.

The FAFSA Simplification Act (the Act), passed on December 27, 2020 as part of the Consolidated Appropriations Act, 2021 (P.L. 116-260), made many important amendments to the Higher Education Act of 1965, as amended (HEA). One important amendment was to allow students who are incarcerated in federal or state correctional facilities to access Pell Grants for the first time since 1994. As part of implementing this new access to Pell Grants for confined or incarcerated individuals, the Department of Education (Department) published a final rule in the [Federal Register \(87 FR 65426\)](#) on



October 28, 2022 to implement the statutory requirements for confined or incarcerated individuals enrolling in an eligible prison education program (PEP). Beginning on July 1, 2023 a confined or incarcerated individual is eligible to receive a Pell Grant if that individual enrolls in an eligible PEP. The specific requirements of an eligible PEP are outlined in the regulations at 34 CFR 668.236. For more information about these requirements, please review *Volume 2, Chapter 2*.

## Prison Education Programs

### [Prison Education Program \(PEP\) information](#)

The cost of attendance (COA) for **confined or incarcerated students** is limited to tuition and fees; books, course materials, supplies, and equipment; and the cost of obtaining a license, certification or a first professional credential (See *Volume 3, Chapter 2* for more on COA).

Students who are confined or incarcerated remain ineligible for Direct Loan funds during the period of their incarceration. Although there are no statutory or regulatory limitations on eligibility for TEACH Grants, Federal Supplemental Education Opportunity Grants (FSEOG), or Federal Work Study (FWS) for confined or incarcerated individuals, they may not qualify for these types of assistance due to other program eligibility requirements. However, schools that enroll confined or incarcerated individuals must consider whether they would qualify for assistance under these programs when awarding aid.

For more details on Pell Grant eligibility of confined or incarcerated individuals, see *Volume 7* of the FSA Handbook. For more details on verification requirements for incarcerated students, see the *Application and Verification Guide* and [DCL GEN-22-09](#).

## Confined or incarcerated individual

HEA Sec. 483(t)(1)(A), 483(t)(3), 484(b)(5)

[Final Regulations 10/28/22](#)

[34 CFR 600.2](#), [34 CFR 668.236](#), [668.32\(c\)\(2\)\(ii\)](#), [34 CFR 668 Subpart P](#)

[DCL GEN-22-15](#)

## Conflicting Information

In addition to reviewing data provided by the Department's application system and NSLDS (as discussed in the rest of this volume), your school must have an internal system to share information relevant to the student's eligibility, such as their academic standing. The FSA program regulations require a school to develop an adequate system to ensure the consistency of any data related to a student's application or eligibility for Federal Student Aid regardless of the source of that data.

The best way to avoid generating conflicting information is to encourage those filing FAFSAs to use the IRS Data Retrieval Tool (DRT); for those items which can be transferred.

If your school has conflicting information for a student or you have any reason to believe the student's application is incorrect, you **must** resolve such discrepancies before disbursing Title IV funds. If you discover a discrepancy after disbursing Title IV funds, you **must** reconcile the conflicting information and require the student to repay any aid for which they weren't eligible, unless they are no longer enrolled for the award year and will not re-enroll. Your school is

responsible for reconciling all inconsistencies that it receives with one exception: if the student dies during the award year, you aren't required to resolve conflicting information.

In addition to efforts your school undertakes to identify and eliminate conflicting information, there is one additional type of potential conflicting information which will be identified automatically by the CPS. On 2023-24 ISIRs, when a potential conflict in parent or student data is detected, the CPS will issue a “400” or “401” code. When a 400 or 401 code is issued, you will need to determine if the code represents conflicting information and, if so, resolve the conflict and repackage any affected 2023-24 aid.

If you are unable to resolve the conflicting information, you must consider the student to be in overaward status for any need-based aid (i.e., Title IV grants and Direct Subsidized Loans) that was disbursed. FWS money does not need to be repaid, but you must immediately cease paying any further unearned FWS funds.

For more information on conflicting information, please refer to the *Application and Verification Guide and Volume 2*.

## Resolving 400 & 401 SAR codes

July 31, 2019 E-Announcement  
[2023-24 SAR Comment Code Guide](#)

## Conflicting information

[34 CFR 668.16\(b\)\(3\)](#) and [\(f\)](#)

## Changes in Eligibility Status

A student’s eligibility status can change during the award year, which almost always affects whether they can be paid. The special rules for changes in satisfactory academic progress status were discussed in the SAP section. For more details on Pell Grant status changes within and between terms, see *Volume 7*.

## Gaining eligibility

A student who *gains eligibility* is one who was previously ineligible for some reason. In general, a student who gains eligibility may receive Pell Grant, TEACH Grant, and Campus-Based funds for the entire payment period and Direct Loan funds for the period of enrollment in which they become eligible.

A student is eligible for Pell Grant, TEACH Grant, and Campus-Based aid for the entire award year, not just the payment period, in which they become eligible by meeting the requirements for citizenship (including becoming an eligible noncitizen) or having a valid Social Security number.

Normally (i.e. not through the “Fresh Start” initiative), when a student regains Title IV eligibility after a loan default, the borrower regains Title IV grant eligibility beginning with the payment period in which the default was resolved and regains Direct Loan eligibility beginning with the period of enrollment in which the default was resolved. For more on regaining eligibility via “Fresh Start,” see the Losing Eligibility section below.

To illustrate how students can gain eligibility, we can look at two hypothetical students, Roy and Leon. Roy enrolls in a one-year certificate program at Carver University. Carver won’t officially admit Roy before he provides an academic transcript from his previous school, but it lets him start classes in the fall. Carver receives Roy’s transcript after he’s attended for a month and officially admits him. He’s still in his first payment period when admitted, so he can receive Pell

and Campus-Based funds for his entire period of enrollment. The school can also use the program length of one year as the period of enrollment for which Roy can receive a loan.

Leon is finishing his senior year in high school; his classes end June 4. He decides to start classes in the winter at Carver on January 11. The second payment period begins on May 17. Leon isn't eligible for aid when he first starts classes at Carver. However, when he becomes eligible after June 4, Carver can disburse Pell and Campus-Based funds to Leon retroactively for the current payment period that started on May 17 (but not for the payment period that started in January) and a Direct Loan for the current period of enrollment, which does include the payment period that began in January.

## Losing eligibility

A student cannot receive any Title IV aid after losing eligibility unless they qualify for a late disbursement.

On April 6th, 2022, the Department announced that it would eliminate the negative effects of default for borrowers who defaulted on their federal student loans prior to the start of the pandemic payment pause. Among other features, this initiative, called "Fresh Start," will enable borrowers with defaulted federal student loans (including confined or incarcerated students) to regain eligibility for Title IV aid, including Federal Pell Grants. More information about this initiative is available in the Dear Colleague Letter and Fresh Start Initiative Fact Sheet referenced below.

### Fresh Start Initiative

[DCL GEN-22-13](#)

[FSA Fresh Start Initiative Fact Sheet](#)

## Religious Order Student Eligibility

Effective July 21, 2021, previous regulations, which considered students attending religious orders to have no need for Title IV aid, have been eliminated. Such students may now be considered to have financial need, in accordance with Part F of Title IV of the HEA, and are eligible to receive Pell Grant, Direct Loan, FWS, and FSEOG funds, if they meet all other student and program-specific eligibility criteria. This change is discussed more fully in chapter 6 of this Volume, where we discuss program-specific eligibility criteria.

## Selective Service

On December 27, 2020, the FAFSA Simplification Act was enacted into law as part of the Consolidated Appropriations Act, 2021. That law amended Section 484 of the HEA to remove the requirement for male students to register with the Selective Service before the age of 26 to be eligible for Title IV aid. Therefore, failing to register with the Selective Service will no longer impact a student's Title IV aid eligibility.

For additional details about this change and its implementation, see [Dear Colleague Letter GEN-21-04](#) on the Knowledge Center.